

Celestial Delights USA Corp.  
Form 10-Q/A  
February 05, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q/A

QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 333-153472

CELESTIAL DELIGHTS USA CORP.  
(Exact name of registrant as specified in its charter)

NEVADA  
(State or other jurisdiction of incorporation or organization)

11811 N Tatum Blvd  
Suite 3031  
Phoenix, AZ 85028  
(Address of principal executive offices, including zip code.)

(602) 953-7757  
(telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days.

YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer   
Non-accelerated Filer  Smaller reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
YES  NO

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State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 89,120,000 shares as of November 19, 2009.

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CELESTIAL DELIGHTS USA CORP.  
FORM 10-Q/A

September 30, 2009

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## FORWARD-LOOKING STATEMENTS

This Report on Form 10-Q/A contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Reference is made in particular to the description of our plans and objectives for future operations, assumptions underlying such plans and objectives, and other forward-looking statements included in this report. Such statements may be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “believe,” “estimate,” “anticipate,” “intend,” “continue,” or similar terms, variations of such terms, or the negative of such terms. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. Such statements address future events and conditions concerning, among others, capital expenditures, earnings, litigation, regulatory matters, liquidity and capital resources and accounting matters. Actual results in each case could differ materially from those anticipated in such statements by reason of factors such as future economic conditions, changes in consumer demand, legislative, regulatory and competitive developments in markets in which we operate, results of litigation and other circumstances affecting anticipated revenues and costs, and the risk factors set forth below under the heading “Risk Factors” and set forth in our Annual report on Form 10-K for the fiscal year ended June 30, 2009, filed on October 13, 2009.

As used in this Form 10-Q/A, “we,” “us” and “our” refer to Celestial Delights USA Corp., which is also sometimes referred to as the “Company.”

### YOU SHOULD NOT PLACE UNDUE RELIANCE ON THESE FORWARD LOOKING STATEMENTS

The forward-looking statements made in this report on Form 10-Q/A relate only to events or information as of the date on which the statements are made in this report on Form 10-Q/A. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this report and the documents that we reference in this report, including documents referenced by incorporation, completely and with the understanding that our actual future results may be materially different from what we expect or hope.

The discussion and financial statements contained herein are for the period ended September 30, 2009. The following discussion regarding our financial statements should be read in conjunction with our financial statements included herewith.

## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Celestial Delights USA Corp.  
(A Development Stage Company)  
Balance Sheets

|   | September 30,<br>2009<br>(Unaudited) | June 30,<br>2009 |
|---|--------------------------------------|------------------|
| <b>ASSETS</b>   |                                      |                  |
| <b>Current Assets</b>   |                                      |                  |
| Cash  | \$ —                                 | \$ 290           |
| Prepaid expenses  | 150                                  | 150              |
| Deferred license fee  | 3,000                                | 4,000            |
| <b>Total Assets</b>   | <b>\$ 3,150</b>                      | <b>\$ 4,440</b>  |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>   |                                      |                  |
| <b>Current Liabilities</b>  |                                      |                  |
| Accounts payable and accrued liabilities  | \$ 19,854                            | \$ 9,019         |
| Due to related party  | 4,637                                | 4,488            |
| <b>Total current liabilities</b>  | <b>24,491</b>                        | <b>13,507</b>    |
| <b>Stockholders' Deficiency</b>   |                                      |                  |
| Preferred stock, \$0.00001 par value; authorized 100,000,000 shares, none issued  | —                                    | —                |
| Common stock, \$0.00001 par value; authorized 100,000,000 shares, issued and outstanding 89,120,000 and 89,120,000 shares, respectively | 891                                  | 891              |
| Additional paid-in capital  | 50,709                               | 50,109           |
| Deficit accumulated during the development stage  | (72,941)                             | (60,067)         |
| <b>Total Stockholders' Deficiency</b>   | <b>(21,341)</b>                      | <b>(9,067)</b>   |
| <b>Total Liabilities and Stockholders' Deficiency</b>   | <b>\$ 3,150</b>                      | <b>\$ 4,440</b>  |

See notes to financial statements.

Celestial Delights USA Corp.  
(A Development Stage Company)  
Statements of Operations  
(Unaudited)

|  | Three months<br>ended<br>September 30, 2009 | Three months<br>ended<br>September 30, 2008 | Period June 2, 2008<br>(Inception) to<br>September 30, 2009 |
|--|---|---|---|
| Revenue  | \$ —  | \$ —  | \$ —  |
| Total Revenue  | —   | —   | —   |
| Cost and expenses  |   |   |   |
| License fees   | 1,000                                       | 1,000                                       | 5,000   |
| General and administrative                                 | 11,874                                      | 21,725                                      | 67,941  |
| Total Costs and Expenses                                   | 12,874                                      | 22,725                                      | 72,941  |
| Net Loss   | \$ (12,874)                                 | \$ (22,725)                                 | \$ (72,941)   |
| Net Loss per share   |   |   |   |
| Basic and diluted  | \$ (0.00)                                   | \$ (0.00)                                   |   |
| Number of common shares used to compute net loss per share |   |   |   |
| Basic and Diluted  | 89,120,000                                  | 89,120,000                                  |   |

See notes to financial statements.

Celestial Delights USA Corp.  
(A Development Stage Company)  
Statements of Stockholders' Deficiency  
For the period June 2, 2008 (Inception) to September 30, 2009

|  | Common Stock, \$0.00001<br>Par Value |        | Additional<br>Paid-in<br>Capital | Deficit<br>Accumulated<br>During the<br>Development<br>Stage | Total<br>Stockholders'<br>Equity<br>(Deficiency) |
|--|--------------------------------------|--------|----------------------------------|--|--|
|  | Shares                               | Amount |                                  |  |  |
| Sales of Common stock;   |                                      |        |                                  |  |  |
| - June 2, 2008 at \$0.000125   | 56,000,000                           | \$ 560 | \$ 6,440                         | \$ —   | 7,000  |
| - June 30, 2008 at \$0.00125   | 33,120,000                           | 331    | 41,069                           | —  | 41,400   |
| Donated expenses   | —                                    | —      | 200                              | —  | 200  |
| Net loss for the period June 2, 2008<br>(inception) to June 30, 2008 | —                                    | —      | —                                | (16,296)   | (16,296)   |
| Balance, June 30, 2008   | 89,120,000                           | 891    | 47,709                           | (16,296)   | 32,304   |
| Donated expenses   | —                                    | —      | 2,400                            | —  | 2,400  |
| Net loss for the year ended June 30, 2009                            | —                                    | —      | —                                | (43,771)   | (43,771)   |
| Balance, June 30, 2009   | 89,120,000                           | 891    | 50,109                           | (60,067)   | (9,067)  |
| Unaudited:   |                                      |        |                                  |  |  |
| Donated expenses   | —                                    | —      | 600                              | —  | 600  |
| Net loss for the three months ended<br>September 30, 2009            | —                                    | —      | —                                | (12,874)   | (12,874)   |
| Balance, September 30, 2009  | 89,120,000                           | \$ 891 | \$ 50,709                        | \$ (72,941)  | \$ (21,341)                                      |

See notes to financial statements.



Celestial Delights USA Corp.  
(A Development Stage Company)  
Statements of Cash Flows  
(Unaudited)

|   | Three months<br>ended<br>September 30, 2009 | Three months<br>ended<br>September 30, 2008 | Period June 2, 2008<br>(Inception) to<br>September 30, 2009 |
|---|---|---|---|
| <b>Cash Flows from Operating Activities</b>   |   |   |   |
| Net loss  | \$ (12,874)                                 | \$ (22,725)                                 | \$ (72,941)   |
| Adjustments to reconcile net loss to net cash provided by<br>(used for) operating activities: |   |   |   |
| Amortization of deferred license fee  | 1,000                                       | 1,000                                       | 5,000   |
| Donated expenses  | 600   | 600   | 3,200   |
| Changes in operating assets and liabilities:  |   |   |   |
| Accounts payable and accrued liabilities  | 10,835                                      | 10,042                                      | 19,854  |
| Prepaid expenses  | —   | —   | (150)   |
| Net cash used for operating activities  | (439)                                       | (11,083)                                    | (45,037)  |
| <b>Cash Flows from Investing Activities</b>   |   |   |   |
| License fee due in connection with Product License<br>Agreement                               |   |   |   |
| Net cash used for investing activities  | —   | (8,000)                                     | (8,000)   |
| <b>Cash Flows from Financing Activities</b>   |   |   |   |
| Proceeds from sales of common stock   | —   | —   | 48,400  |
| Increase (decrease) in due to related party   | 149   | (265)                                       | 4,637   |
| Net cash provided by (used for) financing activities  | 149   | (265)                                       | 53,037  |
| Decrease in cash  | (290)                                       | (19,348)                                    | —   |
| Cash, beginning of period   | 290   | 32,553                                      | —   |
| Cash, end of period   | \$ —  | \$ 13,205                                   | \$ —  |
| <b>Supplemental Disclosures of Cash Flow Information:</b>                                     |   |   |   |
| Interest paid   | \$ —  | \$ —  | —   |
| Income taxes paid   | \$ —  | \$ —  | —   |

See notes to financial statements.

Celestial Delights USA Corp.  
(A Development Stage Company)  
Notes to Financial Statements  
September 30, 2009  
(Unaudited)

Note 1. Organization and Business Operations

Celestial Delights USA Corp. (the “Company”) was incorporated in the State of Nevada on June 2, 2008. The Company’s principal business is to market and distribute a unique line of gourmet flavored oils, vinegars, mustards, rubs, antipastos, and sugars for sale to specialty retail stores and gift basket markets.

On June 9, 2009, the Company effectuated an 8 for 1 forward stock split, thereby increasing the issued and outstanding shares of common stock from 11,140,000 shares to 89,120,000 shares. The financial statements have been retroactively adjusted to reflect this forward stock split.

On September 21, 2009, Ms. Neema Lakhani resigned as sole officer and director of the Company.

On September 21, 2009, the Board of Directors of the Company appointed Mr. John J. Lennon as sole officer and director of the Company to fill the vacancy created by the resignation of Ms. Lakhani.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. At September 30, 2009, the Company has negative working capital and a stockholders’ deficiency of \$21,341. Further, the Company has not generated any revenues and incurred \$72,941 in net losses since inception. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. The Company plans to improve its financial condition by obtaining new financing either by loans or sales of its common stock. However, there is no assurance that the Company will be successful in accomplishing this objective. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 2. Interim Financial Statements

The unaudited financial statements as of September 30, 2009 and for the three months ended September 30, 2009 have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with instructions to Form 10-Q. In the opinion of management, the unaudited financial statements have been prepared on the same basis as the annual financial statements and reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the financial position as of September 30, 2009 and the results of operations and cash flows for the three months ended September 30, 2009 and 2008, and the period June 2, 2008 (inception) to September 30, 2009.

Note 2. Interim Financial Statements (continued)

The financial data and other information disclosed in these notes to the interim financial statements related to these periods are unaudited. The results for the three months ended September 30, 2009 is not necessarily indicative of the results to be expected for any subsequent quarter of the entire year ending June 30, 2010. The balance sheet at June 30, 2009 has been derived from the audited financial statements at that date.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the Securities and Exchange Commission's rules and regulations. These unaudited financial statements should be read in conjunction with our audited financial statements and notes thereto for the year ended June 30, 2009 as included in our report on Form 10-K (which was filed with the SEC on October 13, 2009).

Note 3. Recent Accounting Pronouncements

In May 2009, the FASB issued ASC 855, Subsequent Events, which establishes general standards for the evaluation, recognition and disclosure of events and transactions that occur after the balance sheet date. Although there is new terminology, the standard is based on the same principles as those that currently existed in the auditing standards. The standard, which includes a new required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009. The adoption of ASC 855 did not have a material effect on the Company's financial statements. Refer to Note 8.

In June 2009, the FASB issued guidance now codified as ASC 105, Generally Accepted Accounting Principles as the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP, aside from those issued by the SEC. ASC 105 did not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all authoritative literature related to a particular topic in one place. The adoption of ASC 105 did not have a material impact on the Company's financial statements, but does eliminate all references to pre-codification standards.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Note 4. Product License Agreement

On July 2, 2008, the Company (the "Licensee") entered into a Product License Agreement ("Agreement") with Celestial Delights, a sole proprietorship company located in Ontario Canada, and Neema Lakhani (Principal and together with Celestial Delights, the "Licensor") pursuant to which the Company agreed to license the exclusive rights to market and distribute, in the United States, a line of gourmet seasonings owned by the Licensor. The initial term of the Agreement is for two years, and is renewable at the sole option of the Licensor for two additional two-year terms upon 30 days written notice. The Agreement may be further extended upon mutual agreement by both parties. The Company is to pay \$8,000 for the right to market, promote and distribute the gourmet seasonings, and is to pay a royalty of ten percent (10%) of all gross sales for products licensed. Ms. Lakhani is also the majority stockholder and former chief executive officer of the Company.

The \$8,000 initial license fee, which was paid on October 31, 2008, was capitalized on July 2, 2008 and is being expensed over the initial two year term of the agreement.



## Note 5. Related Party Transactions

As at September 30, 2009, the Company is indebted to the former President of the Company for \$4,637 (2008 - \$134). This amount is unsecured, non-interest bearing and has no terms of repayment.

The Company received services from its former president at no cost to the Company. For accounting purposes, the estimated fair value of these donated services (\$200 per month) was included in general and administrative expenses and additional paid-in capital was increased by the same amounts. During the three month period ended September 30, 2009, the Company expensed \$600 (2008 - \$600) for donated services.

On June 2, 2008, the Company issued 56,000,000 shares of common stock to the former President of the Company at \$0.000125 per share for cash proceeds of \$7,000.

## Note 6. Common Stock

On September 12, 2008, the Company filed a Registration Statement on Form S-1 with the United States Securities and Exchange Commission, which was declared effective on September 23, 2008, to register 33,120,000 shares for resale by existing shareholders of the Company at a price of \$0.00125 per share until such time as the shares of the Company's common stock start trading on the OTC Bulletin Board or another exchange. The Company will not receive any proceeds from the resale of shares of common stock by the selling stockholders.

## Note 7. Income Taxes

The provision for (benefit from) income taxes differs from the amount computed by applying the statutory United States federal income tax rate of 35% to income (loss) before income taxes. The sources of the difference follow:

|                                 | Three months<br>Ended<br>September 30, 2009 | Three months<br>Ended<br>September 30, 2008 | Period June 2, 2008<br>(Inception) to<br>September 30, 2009 |
|---------------------------------|---|---|---|
| Expected tax at 35%             | \$ (4,506)                                  | \$ (7,954)                                  | \$ (25,529)   |
| Donated expenses                | 210   | 210   | 1,120   |
| Increase in valuation allowance | 4,496                                       | 7,744                                       | 24,409  |
| Income tax provision            | \$ —  | \$ —  | \$ —  |

## Note 7. Income Taxes (continued)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred income taxes arise from temporary differences in the recognition of income and expenses for financial reporting and tax purposes. The significant components of deferred income tax assets and liabilities are as follows:

|                                 | September 30,<br>2009 | June 30,<br>2009 |
|---------------------------------|-----------------------|------------------|
| Net operating loss carryforward | \$ 24,409             | \$ 20,113        |
| Valuation allowance             | (24,409)              | (20,113)         |
| Net deferred tax assets         | \$ —                  | —                |

Based on management's present assessment, the Company has not yet determined it to be more likely than not that a deferred tax asset of \$24,409 at September 30, 2009 attributable to the future utilization of the net operating loss carryforward of \$69,741 will be realized. Accordingly, the Company has provided a 100% allowance against the deferred tax asset in the financial statements. The Company will continue to review this valuation allowance and make adjustments as appropriate. The net operating loss carryforward expires \$16,096 in 2028, \$41,371 in 2029 and \$12,274 in 2030.

Current United States income tax laws limit the amount of loss available to offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited.

## Note 8. Subsequent Events

- a) On October 14, 2009, the Company issued a \$6,800 promissory note to Coach Capital LLC ("Coach") in satisfaction of an account payable to Coach for a payment made by Coach in September 2009 on behalf of the Company. This promissory note bears interest at 10% per annum and is due on demand. Arrears in payment of the principal amount or any interest shall bear interest at the rate of 30% per annum.
- b) On October 26, 2009, the Company issued a \$1,574 promissory note to Coach in satisfaction of an account payable to Coach for a payment made by Coach in October 2009 on behalf of the Company. This promissory note bears interest at 10% per annum. Arrears in payment of the principal amount or any interest shall bear interest at the rate of 30% per annum.
- c) The Company has evaluated subsequent events through the filing date of this Form 10-Q and has determined that there were no additional subsequent events to recognize or disclose in these financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

The following discussion should be read in conjunction with our financial statements and notes thereto included elsewhere in this quarterly report. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward-looking statements are based upon estimates, forecasts, and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by us, or on our behalf. We disclaim any obligation to update forward-looking statements.

Financial Condition as of September 30, 2009

We reported total current assets of \$3,150 on September 30, 2009, consisting of cash of \$0, prepaid expenses of \$150 and a deferred license fee of \$3,000. Total current liabilities reported of \$24,491 consisted of \$19,854 in accounts payable and accrued liabilities and expenses of \$4,637 in notes, interest on notes and advances due to related parties.

Stockholders' Equity decreased from a deficiency of \$9,067 for the year ended June 30, 2009 to a deficiency of \$21,341 at September 30, 2009.

Plan of Operation

Background

We were organized under the laws of the State of Nevada on June 2, 2008. We are a start-up corporation and have not yet realized any revenues from our business activities. On June 9, 2009, the Company effectuated an 8 for 1 forward stock split, thereby increasing the issued and outstanding shares of common stock from 11,140,000 shares to 89,120,000 shares.

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues, and no revenues are anticipated until we begin marketing and selling our line of products. Accordingly, we must raise cash from sources other than the sale of our product line. Our only other source for cash at this time is investment by others in our complete private placement. The cash we raised will allow us to stay in business for at least one year. Our success or failure will be determined by our sales and marketing efforts.

To meet our need for cash we raised money from private placements. If it turns out that we do not have enough money to continue operating, we will have to find alternative sources, like a secondary public offering, a private placement of securities, or loans from our officers or others.

We will not be conducting research, nor are we going to buy or sell any plant or significant equipment during the next twelve months.

We do not intend to hire additional employees at this time. We will hire additional employees on as needed basis. Our initial need for employees will be to process orders in the event sufficient order flow is established.

Milestones

Our milestones over the next twelve months are:

1. To develop and create a shopping cart on our website to promote and sell our products online. We expect to spend \$1,500 to \$10,000 for the new version website which will include a search engine, including a word search program with Google, which will be implemented to generate more traffic to our site. We anticipate launching our new website in the second quarter of this year.
2. Marketing and advertising will be focused on promoting our website and products. The advertising campaign may also include the design and printing of various sales materials. We intend to market our website through traditional sources such as advertising in magazines, billboards, telephone directories and preparing and sending out flyers and mailers both through the regular mail and via email. Advertising and promotion will be an ongoing effort but the initial cost of developing the campaign is estimated to cost between \$15,000 and \$35,000.
3. We also plan to market our business and its online presence by attending some key food trade shows in 2010.
4. We plan on targeting existing markets by aligning ourselves with food distribution companies where our products can be complimentary.

We anticipate that we will generate revenues as soon as we are able to offer products for sale on our website or through a distribution network.



### Limited Operating History; Need for Additional Capital

There is no historical financial information about us upon which to base an evaluation of our performance. We are a start-up corporation and have not generated any revenues from activities. We cannot guarantee we will be successful in our business activities. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources, and possible cost overruns due to price and cost increases in services.

To become profitable and competitive, we must find customers and sell our products.

In the event we need additional funds for operations, we have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our activities. Equity financing could result in additional dilution to existing shareholders.

### Critical Accounting Policies

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management of our company to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Our management routinely makes judgments and estimates about the effects of matters that are inherently uncertain. As the number of variables and assumptions affecting the probable future resolution of the uncertainties increase, these judgments become even more subjective and complex. Our significant accounting policies are discussed in Note 2 to our financial statements for the fiscal year ended June 30, 2009 included in the Form 10-K. We have identified the following accounting policies, described below, as the most important to an understanding of our current financial condition and results of operations.

### Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with Accounting Standard Codification (“ASC”) 260, “Earnings per Share”. ASC 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible securities using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

### Results of Operations

The following is Management’s discussion and analysis of certain significant factors which have affected the Company’s financial condition and results of operations during the periods included in the accompanying financial statements.

### Results of Operations for the Three Months Ended September 30, 2009 as Compared to the Three Months Ended September 30, 2008

Results of Operations, Three Months Ended

Sept. 30, 2009 Sept. 30, 2008

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|                            |    |        |    |        |
|----------------------------|----|--------|----|--------|
| License Fees               | \$ | 1,000  | \$ | 1,000  |
| General and Administrative |    | 11,874 |    | 21,725 |
|                            | \$ | 12,874 | \$ | 22,725 |

Expenses or other cash flows in this period may not be indicative of future periods as we are in the early development stage.

From Inception on June 2, 2008

We were incorporated on June 2, 2008. We executed our licensing agreement with Ms. Lakhani, our former president, completed a private placement of securities and raised \$41,400, retained a lawyer and prepared our registration statement.

#### Liquidity and Capital Resources

As of September 30, 2009, we had cash of \$0. During the period ended September 30, 2009, we funded our operations from the proceeds of private sales of equity and convertible notes. We plan to continue further financings and we believe that this will provide sufficient working capital to fund our operations for at least the next 12 months. Changes in our operating plans, increased expenses, additional acquisitions, or other events, may cause us to seek additional equity or debt financing in the future.

For the period ended September 30, 2009, we had \$0 cash flows from operations. We raised \$0 during the three month period ended September 30, 2009.

We currently have no revenue from operations. In order to meet our business objectives, we will need to raise additional funds through equity or convertible debt financing. There can be no assurance that we will be successful in raising additional funds and, if unsuccessful, our plans for expanding operations and business activities may have to be curtailed. Any attempt to raise funds, through debt or equity financing, would likely result in dilution to existing shareholders.

We continue to operate with very limited administrative support, and our current officers and directors continue to be responsible for many duties to preserve our working capital.

We do not anticipate making any major purchases of capital assets in the next six months. We believe that, with our current efforts to raise capital, we will have sufficient cash resources to satisfy our needs over the next twelve months. Our ability to satisfy cash requirements thereafter will determine whether we achieve our business objectives. Should we require additional cash in the future, there can be no assurance that we will be successful in raising additional debt or equity financing on terms acceptable to our company, if at all.

We anticipate that our cash requirements will be significant in the near term due to our expected implementation of our marketing and sales goals. Accordingly, we expect to continue to use cash to fund operations for at least the remaining of our fiscal year ended June 30, 2010, as we look to generating sufficient revenue to meet our needs.

#### Prior Financings

We issued 56,000,000 shares of common stock through a private placement pursuant to Regulation S of the Securities Act of 1933 to Neema Lakhani, our former sole officer and director on June 2, 2008 in consideration of \$7,000. Ms. Lakhani is a non-US person and all transactions closed outside the United States of America. This was accounted for as a purchase of shares of common stock.

In June 2008, we completed a private placement of 33,120,000 restricted shares of common stock pursuant to Reg. S of the Securities Act of 1933 and raised \$41,400. All of the shares were sold to non-US persons and all transactions closed outside the United States of America. This was accounted for as a purchase of shares of common stock.

#### Off-Balance Sheet Arrangements

We presently do not have any off-balance sheet arrangements.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

### ITEM 4. CONTROLS AND PROCEDURES.

Our management with the participation and under the supervision of our Principal Executive Officer and Principal Financial Officer reviewed and evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined by Rule 13a-15(e) or 15d-15(e)) of the Exchange Act Rule 13a-15 as of the end of the period covered by this report. Based upon their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures are effective and sufficient to

ensure that we record, process, summarize, and report information required to be disclosed in the reports we filed under the Exchange Act within the time periods specified in the Securities and Exchange Commission's rules and regulations, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal controls over financial reporting that occurred during the three months ended September 30, 2009 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting. We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within any company have been detected.

## PART II. OTHER INFORMATION

### ITEM 1.

### LEGAL PROCEEDINGS.

None.

ITEM 1A.

RISK FACTORS

An investment in Celestial Delights USA's common stock is subject to risks inherent to our business. The material risks and uncertainties that management believes affect us are described below. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included or incorporated by reference in this report. The risks and uncertainties described below are not the only ones facing Celestial Delights USA. Additional risks and uncertainties that management is not aware of or focused on or that management currently deems immaterial may also impair Celestial Delights USA's business operations. This report is qualified in its entirety by these risk factors.

If any of the following risks actually occur, our financial condition and results of operations could be materially and adversely affected. If this were to happen, the value of our common stock could decline significantly, and you could lose all or part of your investment.

Our limited operating history may not serve as an adequate basis to judge our future prospects and results of operations.

We have a limited operating history. As such, our historical operating results may not provide a meaningful basis for evaluating our business, financial performance and prospects. Accordingly, you should not rely on our results of operations for any prior periods as an indication of our future performance. Our operations will be subject to all the risks inherent in the establishment of a developing enterprise and the uncertainties arising from the absence of a significant operating history. We are in the development stage and potential investors should be aware of the difficulties normally encountered by enterprises in the development stage. If our business plan is not successful, and we are not able to operate profitably, investors may lose some or all of their investment in our company.

We have incurred losses in prior periods and may incur losses in the future.

We incurred net losses of \$72,941 for the period from June 2, 2008 (inception) to September 30, 2009. We cannot be assured that we can achieve or sustain profitability on a quarterly or annual basis in the future. Our operations are subject to the risks and competition inherent in the establishment of a business enterprise. There can be no assurance that future operations will be profitable. We may not achieve our business objectives and the failure to achieve such goals would have an adverse impact on us.

If we are unable to obtain additional funding our business operations will be harmed and if we do obtain additional financing our then existing shareholders may suffer substantial dilution ..

We will require additional funds to meet our business objectives, and to take advantage of any available business opportunities. In order to meet our obligations, we will have to raise additional funds. Obtaining additional financing will be subject to market conditions, industry trends, investor sentiment and investor acceptance of our business plan and management. These factors may make the timing, amount, terms and conditions of additional financing unattractive or unavailable to us. If we are not successful in achieving financing in the amount necessary to further our operations, implementation of our business plan may fail or be delayed.

If we are unable to successfully recruit qualified managerial and experienced personnel, we may not be able to execute on our business plan.

In order to successfully implement and manage our business plan, we will be dependent upon, among other things, successfully recruiting qualified managerial and experienced personnel. Competition for qualified individuals is intense. There can be no assurance that we will be able to find, attract and retain existing employees or that we will be

able to find, attract and retain qualified personnel on acceptable terms.

We are subject to new corporate governance and internal control reporting requirements, and our costs related to compliance with, or our failure to comply with existing and future requirements, could adversely affect our business.

We may face new corporate governance requirements under the Sarbanes-Oxley Act of 2002, as well as new rules and regulations subsequently adopted by the SEC and the Public Company Accounting Oversight Board. These laws, rules and regulations continue to evolve and may become increasingly stringent in the future. In particular, under rules proposed by the SEC on August 6, 2006 we are required to include management's report on internal controls as part of our annual report pursuant to Section 404 of the Sarbanes-Oxley Act. Furthermore, under the proposed rules, an attestation report on our internal controls from our independent registered public accounting firm will be required as part of our annual report for the fiscal year ending June 30, 2010. We strive to continuously evaluate and improve our control structure to help ensure that we comply with Section 404 of the Sarbanes-Oxley Act. The financial cost of compliance with these laws, rules and regulations is expected to remain substantial. We cannot assure you that we will be able to fully comply with these laws, rules and regulations that address corporate governance, internal control reporting and similar matters. Failure to comply with these laws, rules and regulations could materially adversely affect our reputation, financial condition and the value of our securities.

If the Celestial Delights product line does not achieve greater market acceptance, or if alternative brands are developed and gain market traction, prospects for our growth and profitability would be limited.

Our future success depends on increased market acceptance of the Celestial Delights product line. The gourmet specialty food community may not embrace our Celestial Delights product line. Acceptance of our services will depend on several factors, including: cost, product freshness, convenience, timeliness, strategic partnerships and reliability. Any of these factors could have a material adverse effect on our business, results of operations and financial condition. We also cannot be sure that our business model will gain wide acceptance among chefs, or the gourmet specialty food community. If the market fails to continue to develop, or develops more slowly than we expect, our business, results of operations and financial condition will be adversely affected. Moreover, if new gourmet brands are developed, our prospective products and current technologies could become less competitive or obsolete. Any of these factors could have a material and adverse impact on our growth and profitability.

The markets in which we operate are very competitive, and many of our competitors and potential competitors are larger, more established and better capitalized than we are.

The markets in which we operate are very competitive and have been characterized by rapid technological change. This competition could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses, and failure to increase, or the loss of, market share or expected market share, any of which would likely seriously harm our business, operating results and financial condition.

Some of our competitors and potential competitors are substantially larger and have greater financial, technical, marketing and other resources than we do. Given their capital resources, the large companies with whom we compete or may compete in the future, are in a better position to substantially increase their manufacturing capacity, research and development efforts or to withstand any significant reduction in orders by customers in our markets. Such larger companies typically have broader and diverse product lines and market focus and thus are not as susceptible to downturns in a particular market. In addition, some of our competitors have been in operation much longer than we have and therefore may have more long-standing and established relationships with potential domestic and foreign customers.

Because we are small and do not have much capital, we must limit our activities. As such we will not be able to compete with large entities that market food products. We compete against other providers of gourmet foods, some of which sell their products globally, and some of these providers have considerably greater resources and abilities than we have. These competitors may have greater marketing and sales capacity, established sales and distribution networks, significant goodwill and global name recognition. Furthermore, it may become necessary for us to reduce our prices in response to competition. This could impact our ability to be profitable. In the event we are unable to attract customers to our product, we will not generate revenues or profits. If that occurs, you will lose your investment.

We would be at a competitive disadvantage if our competitors bring their products to market earlier, if their products are more technologically capable than ours, or if any of our competitors' products or technologies were to become preferred in the industry. Moreover, we cannot be assured that potential customers will not develop their own products, or acquire companies with products, that are competitive with our future products. Any of these competitive threats could have a material adverse effect on our business, operating results or financial condition.

**Inability of Our Officers and Directors to Devote Sufficient Time to the Operation of the Business May Limit Our Success.**

Presently, our officers and directors allocate only a portion of their time to the operation of our business. If the business requires more time for operations than anticipated or the business develops faster than anticipated, the

officers and directors may not be able to devote sufficient time to the operation of the business to ensure that it continues as a going concern. This lack of sufficient time of our management may result in limited growth and success of the business.

We do not own any patents, trademarks or copyrights

We do not own any patents, trademarks or copyrights. We do not know if we are or will be infringing on any patents, copyrights or trademarks. If we infringe on any patents, trademarks or copyrights, we will be liable for damages and may be enjoined from conducting our proposed business. Further, because we have no patent or copyright covering our product, someone could use the information and compete with us and we will have no recourse against him.

Changing consumer preferences may impact our food products.

Consumer preferences change, sometimes quickly, and the success of our food products depends on our ability to identify the tastes and dietary habits of consumers and offer products that appeal to their preferences. We introduce new products and improved products, and incur development and marketing costs associated with new products. If our new products fail to satisfy consumer expectations, then our strategy to grow sales and profits with new products will be less successful.



If our sole officer and director resigns or dies without having found replacements, our operations will cease. If that should occur, you could lose your investment.

We have one officer and director. We are entirely dependent upon him to conduct our operations. If he should resign or die, there will be no one to control and operate this company. Further, we do not have keyman insurance. If that should occur, until we find others to conduct our operations, we will suspend our operations or cease operating entirely. In that event, it is possible you could lose your entire investment.

Because our former sole officer and director, who is also a promoter, owns more than 50% of the outstanding shares of the Company, she will retain control of us and will be able to decide who will be directors and you will not be able to elect any directors which could decrease the price and marketability of the shares.

Neema Lakhani owns 56,000,000 shares of our common stock and will continue to control us. As a result, Ms. Lakhani will be able to elect all of our directors and control our operations.

Our board of directors does not intend to declare or pay any dividends to our stockholders in the foreseeable future.

The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors the board of directors considers relevant. There is no plan to pay dividends in the foreseeable future, and if dividends are paid, there can be no assurance with respect to the amount of any such dividend.

Nevada law and our articles of incorporation authorize us to issue shares of stock, which shares may cause dilution to our existing shareholders.

Pursuant to our Articles of Incorporation, we have, as of the date of this Report, 100,000,000 shares of common stock authorized. As of the date of this Report, we have 89,120,000 shares of common stock issued and outstanding. As a result, our Board of Directors has the ability to issue additional shares of common stock without shareholder approval, which if issued could cause dilution to our then shareholders.

A limited public trading market exists for our common stock, which makes it more difficult for our stockholders to sell their common stock in the public markets.

Although our common stock is quoted on the OTCBB under the symbol "CLDS" there is currently no public market for our common stock. No assurance can be given that an active market will develop or that a stockholder will ever be able to liquidate its shares of common stock without considerable delay, if at all. Many brokerage firms may not be willing to effect transactions in the securities. Even if a purchaser finds a broker willing to effect a transaction in these securities, the combination of brokerage commissions, state transfer taxes, if any, and any other selling costs may exceed the selling price. Furthermore, our future stock price may be impacted by factors that are unrelated or disproportionate to our operating performance. These market fluctuations, as well as general economic, political and market conditions, such as recessions, lack of available credit, interest rates or international currency fluctuations may adversely affect the future market price and liquidity of our common stock.

Our common stock may be subject to the penny stock rules which may make it more difficult to sell our common stock.

The Securities and Exchange Commission has adopted regulations which generally define a "penny stock" to be any equity security that has a market price, as defined, less than \$5.00 per share or an exercise price of less than \$5.00 per

share, subject to certain exceptions. Our securities may be covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors such as, institutions with assets in excess of \$5,000,000 or an individual with net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with his or her spouse. For transactions covered by this rule, the broker-dealers must make a special suitability determination for the purchase and receive the purchaser's written agreement of the transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell our securities and also affect the ability of our stockholders to sell their shares in the secondary market.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

ITEM 5. OTHER INFORMATION.

On October 14 and 26, 2009, the Company issued an aggregate of \$8,3374 in promissory notes to Coach Capital LLC (“Coach”) in satisfaction of an account payable to Coach for payments made by Coach in September and October 2009 on behalf of the Company. The promissory notes bear interest at 10% per annum. Arrears in payment of the principal amounts or any interest shall bear interest at the rate of 30% per annum.

ITEM 6. EXHIBITS.

The following documents are included herein:

Exhibit

| Exhibit No. | Document Description  |
|-------------|---|
| 31.1        | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2        | Certification of Chief Executive Officer and Chief Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002.         |
| 32          | Section 1350 Certification pursuant to section 906 of the Sarbanes-Oxley Act of 2002.   |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacities on January 4, 2010.

CELESTIAL DELIGHTS USA CORP.

BY: /s/ John J. Lennon  
John J. Lennon, President, Chief Executive  
Officer, Secretary and Treasurer.

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